CITY HALL COUNCIL CHAMBERS
SANTA MARIA, CALIFORNIA
REGULAR MEETING

NOVEMBER 1, 2005

INVOCATION:
Rev. Keith Williams of the Life Way Fellowship gave the invocation.

PLEDGE OF ALLEGIANCE TO THE FLAG:
Councilmember Patino led the pledge of allegiance.

CALL TO ORDER:
Mayor Lavagnino called the Regular Meeting of the City Council to order at 6:30 p.m.

ROLL CALL:
MEMBERS PRESENT
Councilmembers Mariscal, Orach, Patino, Trujillo, and Mayor Lavagnino.

STAFF MEMBERS PRESENT
City Manager Ness, Assistant City Manager Haydon, City Attorney Trujillo, Police Chief Macagni, Director of Administrative Services Snodgrass, Director of Community Development Lindsey, Director of Public Works Karp, Director of Utilities Chisam, City Engineer Sweet, Planner III Shipsey, Planning Consultant Shoals, and Chief Deputy City Clerk Perez.

ANNOUNCEMENTS
Mayor Lavagnino announced that the Wal-Mart issue would be on the agenda for the November 15th meeting.

Mayor Lavagnino welcomed Dr. Jose Ortiz, President of Allan Hancock Community College, and John Shoals, Mayor of the City of Grover Beach.

PRESENTATION OF A QUILT
Jean Gracia and members of the All-America City Quilters presented an All-America City quilt to the City of Santa Maria. Mayor Lavagnino accepted the quilt and indicated it would be displayed in the new library.

PROCLAMATION – KEY CLUB WEEK
Councilmember Mariscal read a proclamation declaring the week of November 7 – 14, 2005, as "Key Club Week" in the City of Santa Maria and encouraged all residents to support the members of this organization who are preparing themselves to be better, more responsible citizens as they provide meaningful service to our community. The proclamation was accepted by Alecia Meras and members of the Key Club.

PROCLAMATION – MILITARY APPRECIATION NIGHT
Councilmember Orach read a proclamation declaring Saturday, November 5, 2005, as "Military Appreciation Night" when Vandenberg Air Force Base personnel will be honored at a special half-time event at the Allan Hancock College Bulldogs football game. The proclamation was accepted by Dr. Jose Ortiz, President of Allan Hancock Community College, Dr. Roger Welt, Executive Dean of Off-Campus Programs, and Dave Cross of the Santa Maria Valley Chamber of Commerce.

PUBLIC COMMENT
Nicholas Andersen spoke regarding the propositions on the November 8th Special Election ballot.

Steven Arnold spoke against the proposed Wal-Mart Superstore.

Ernest Armenta spoke regarding Consent Calendar Item 3H, the recently established Revolving Loan Program for businesses, and requested the City's boards, commissions and committees as well as school boards, and other public entities broadcast their meetings on Public Access Television.

CONSENT CALENDAR
Councilmember Patino requested Item 3G be pulled for comment.

Item 3G – Call for Bids for the Landfill Multi-Year Rolling Closure Liner Construction
Councilmember Patino stated this would allow the City to go out to bid for 10 acres of final landfill cap in areas that have been filled to final design capacity. The acres being closed are generally sloped, and this is where the City is putting the non-hazardous impacted soils. Other agencies that have reviewed this are the Regional Water Quality Control Board, Santa Barbara Environmental Health Department, and the California Integrated Waste Management Board. The City is not doing this in a vacuum. These areas will be capped as they should be.

Consent Calendar Items A through H were approved with the indicated action on motion by Councilmember Orach, seconded by Councilmember Patino, and carried on the following vote:

AYES: Councilmembers Mariscal, Orach, Patino, Trujillo, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

A. ORDINANCES
The reading in full of all ordinances and resolutions was waived. Ordinances on the Consent Calendar are adopted by the same vote cast at the first reading unless City Council indicates otherwise.

B. MINUTES
The Minutes of the Regular City Council Meeting of October 18, 2005, were approved as submitted.

C. WARRANTS
Warrant Nos. 123328 to 123604 in the amount of $4,431,065.65 were ordered ratified subject to having been certified as being in conformity with the budget and having been approved for payment by the Director of Administrative Services. Warrant No. 122902 was cancelled.

D. PAYROLL
Payment of payroll was ordered ratified subject to having been certified by the proper Department Heads as shown on records on file in the Administrative Services Department and having been approved for payment by the Director of Administrative Services.

E. ORDINANCE NO. 2005-13
The City Council conducted the second reading of Ordinance No. 2005-13, a zoning text amendment for the Meyer "A" Street Westside Project located on the west side of the 2300 block of "A" Street, and adopted the Ordinance.

Ordinance No. 2005-13 adopted. A ZONING ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING THE LIST OF PERMITTED, CONDITIONALLY PERMITTED, AND PROHIBITED USES FOR THE 12.71 ACRE MEYER "A" STREET WEST PROJECT LOCATED AT THE WEST OF THE 2300 BLOCK OF "A" STREET.

F. CALL FOR BIDS
Authorization was given to call for bids on the plans and specifications for Landfill Gas Flare Station Modification, Bid No. 2006/07.

G. CALL FOR BIDS

Authorization was given to call for bids on the plans and specifications for the Santa Maria Landfill Multi-Year Rolling Closure Liner Construction, Bid No. 2006/08.

H. ACQUISITION OF PROPERTY

Staff was directed to proceed with the acquisition of the proposed Intermodal Transit Transfer Center Site on the southeast corner of Miller Street and Boone Street from La Brea Land Company.

COLLEGE SQUARE AT CROSSROADS

Planning Consultant John Shoals gave the staff report. This project consists of a General Plan Amendment, Zone Change, and Specific Plan Amendment for College Square at Crossroads, located south of Betteravia Road and West of College Drive in Area A-1 of the Entrada Este Specific Plan. On October 5, 2005, the Planning Commission adopted Resolutions recommending the City Council certify the FSEIR and amend the General Plan (Land Use) and Section 2 of the Entrada Este Specific Plan from CPO (Commercial Professional Office) to CC (Community Commercial), and to rezone the project site from PD/CPO (Planned Development/Commercial Professional Office) to PD/C-2 (Planned Development/General Commercial) for a proposed 64,100 square foot retail shopping center on 5.85 acres. The Planning Commission based its decision on five findings resulting from the public hearing portion of the project.

Councilmember Mariscal asked what the inventory of CPO zoned property was at the present time.

Planner III Shipsey explained that the City had an oversupply of CPO zoned property compared to all the other land uses in the City. The most critical need would be for more residential. There is about a 20-year supply based on historic consumption.

Mayor Lavagnino opened the public hearing.

Peter Koetting, Westar Associates and applicant, gave an overview of the development in the immediate area over the last five years. The City is ripe for new retail development. They have retail tenants who want to come into the City and are of a larger scale than small boutique-type tenants. Retail vacancies in shopping centers are below five percent in the City. That is well below the State and national average. There are no mid-sized box spaces available. Westar has been negotiating and talking to some national retail tenants who are interested in coming into Santa Maria. They want to be in an area where they get freeway visibility and traffic counts. They are not the type of tenants who would go to the downtown area because they need parking. Retailers do sophisticated modeling before they go into a community. They play off of other retailers. Retailers are telling them that Santa Maria is a new emerging market.

Mayor Lavagnino asked if there was any chance that this would be an extension of the auto mall and if there would be any auto sales.

Mr. Koetting replied the site was too small.

Jerald Schutte, The Mall at Santa Maria, LLC, commented that the proposal was in contradiction to the already accepted General and Specific Plan, the Downtown Specific Plan, all the consultants who had done market feasibility studies for the Downtown Specific Plan, and advice of City planning staff. The Planning Commission voted in favor of this on the basis of five findings. He refuted each of those findings. This College Square project contemplates a 17,000 and 25,000 square foot tenant which is the size of tenants the mall is pursuing. One tenant with whom the mall is negotiating has consistently told them they want to wait until after this vote to decide if they are going to go into the mall. He explained that the plans for the expansion of the mall had been submitted to the Community Development Department, and they were fully prepared to break ground well in advance of the project for College Square. Further depleting the supply of competitive tenants for the downtown would make that

realization more difficult. This project and the mall project are in competition for similar tenants.

Ernest Armenta congratulated Mr. Schutte for his comments. He recommended the Council deny the request or send it back to the Planning Commission.

Jason Lewis, Manager of Gottschalks, stated he previously worked for May Company and now Gottschalks. These are stores that are not high stores on the totem pole of their companies. The business these stores do is not large enough to justify improved selection of goods. The community is growing, but the retail has to grow at a more consistent rate. For a period of time the retail grew so fast that the community couldn't keep up, and the community ended up with a lot of vacancies. It is now improving and looking better. He compared the stores in Santa Barbara and San Luis Obispo with the same stores in Santa Maria.

Hearing no further testimony, Mayor Lavagnino closed the public hearing.

Councilmember Trujillo stated he reviewed the information very thoroughly. This project is consistent with what is happening in that area of the City. With 90,000 people in Santa Maria and 40,000 more in Orcutt, he didn't see why the Santa Maria stores did not have the kind of merchandise the stores in San Luis Obispo or Santa Barbara had. He said he would be supporting this proposal.

Councilmember Orach stated he had an opportunity to speak with Mr. Koetting prior to the meeting. This is a tough decision. The City had been working with the community on the Downtown Specific Plan. The consultants for the Downtown Specific Plan said that the City had to draw a line in the sand and commit to making the downtown and the mall succeed. If the mall doesn't succeed in attracting more tenants, the City will keep spending more money to pay for the parking structure and the shortfall in the tax increment funding. He said he would not be supporting the application.

Councilmember Patino stated the Planning Commission findings were weak and she didn't agree with them. This project is beautiful, but she was concerned about what businesses would be displaced by these new stores. She talked about all the businesses that were displaced when the mall was built. Revitalizing the downtown is very important. There is only so much disposable income that people have. When there are too many pieces of the pie, nobody wins and businesses don't do well. This Council is a business-friendly Council, but it needs to protect the existing businesses. Maybe in a few years this project would be better. She said she would not be supporting the proposal.

Councilmember Mariscal stated he also met with Mr. Koetting. He read excerpts from the staff report. He asked Mr. Koetting how many national or regional tenants he would be looking at for his new shopping center.

Mr. Koetting replied it would be 3 to 4.

Councilmember Mariscal stated the Downtown Specific Plan is a huge undertaking and is very important. He asked Mr. Koetting how many retailers there were that were not already in the Santa Maria market area.

Mr. Koetting replied there were retailers that would look at coming to Santa Maria if certain hurdles were overcome. Santa Maria is changing. Santa Maria is growing, the disposable income is increasing, age of housing and recapturing of pent up dollars through refinancing is better. Westar doesn't build buildings and wait. Tenants come to them through brokers, or they go find tenants. There are probably 200 retailers easily that are not yet in this area. Shopping patterns are changing and retail tenants are changing. The products people are buying are changing. Retailers have their own formula for selecting sites.

Councilmember Mariscal asked Mr. Schutte how long he had been involved in the ownership and operation of the mall.

Mr. Schutte stated he was partially responsible several years ago and primarily responsible today and for the last 18 months.

Councilmember Mariscal stated there has been mass exodus from the mall. One of the reasons given is the way the mall has been operated over the last six or seven years.

Mr. Schutte replied that the mall has been approximately 70 percent occupied for the last seven years. It is now 80 percent occupied, and they are negotiating with several new tenants. Gottschalks will be expanding so it will be a first-class store on par with the San Luis Obispo store.

Mayor Lavagnino stated location and demographics play a big role in what happens in Santa Maria. He said he understood the problems the mall has had in the past. The problem he had was deciding if he should wait to see what was going to happen with the mall and the Downtown Specific Plan or go with the proposed project. He said he would not stymie the growth in Santa Maria.

Resolution No. 2005-165 was adopted certifying the Final Supplemental Environmental Impact Report (FSEIR), E-2004-065, for the project on motion by Councilmember Trujillo, seconded by Councilmember Mariscal, and carried on the following vote:

AYES: Councilmembers Mariscal, Trujillo, and Mayor Lavagnino
NOES: Councilmembers Orach and Patino
ABSENT: None
ABSTAIN: None

Resolution No. 2005-165 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, CERTIFYING THE SUPPLEMENTAL ENVIRONMENTAL IMPACT REPORT (E-2004-065), TO THE FINAL ENVIRONMENTAL IMPACT REPORT FOR THE SPHERE OF INFLUENCE BOUNDARY AND CONCURRENT ANNEXATION PROJECT (E-88-10), MAKING CEQA FINDINGS AND A STATEMENT OF OVERRIDING CONSIDERATIONS, AND ADOPTING A MITIGATION MONITORING PROGRAM FOR THE COLLEGE SQUARE AT CROSSROADS GENERAL PLAN (LAND USE) AMENDMENT, REZONE, AND SPECIFIC PLAN AMENDMENT, GPZ-2004-009, SPZ-2005-002, LOCATED WEST OF COLLEGE DRIVE AND SOUTH OF BETTERAVIA ROAD.

Resolution No. 2005-166 was adopted amending the General Plan (Land Use) and Section 2 of the Entrada Este Specific Plan on motion by Councilmember Trujillo, seconded by Councilmember Mariscal, and carried on the following vote:

AYES: Councilmembers Mariscal, Trujillo, and Mayor Lavagnino
NOES: Councilmembers Orach and Patino
ABSENT: None
ABSTAIN: None

Resolution No. 2005-166 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING A GENERAL PLAN (LAND USE ELEMENT) AMENDMENT FOR THE COLLEGE SQUARE AT CROSSROADS LOCATED IN THE ENTRADA ESTE SPECIFIC PLAN, WEST OF COLLEGE DRIVE AND SOUTH OF BETTERAVIA ROAD (GPZ-2004-009, SPZ-2005-002).

Ordinance No. 2005-14 rezoning the site was introduced by title only for first reading and continued to the next meeting for second reading and adoption on motion by Councilmember Trujillo, seconded by Councilmember Mariscal, and carried on the following vote:

AYES: Councilmembers Mariscal, Trujillo, and Mayor Lavagnino
NOES: Councilmembers Orach and Patino
ABSENT: None
ABSTAIN: None

Ordinance No. 2005-14 introduced. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AMENDING THE ENTRADA ESTE SPECIFIC PLAN, REZONING 5.85 ACRES OF PROPERTY LOCATED IN THE ENTRADA ESTE SPECIFIC PLAN AT THE SOUTHWEST CORNER OF BETTERAVIA ROAD AND COLLEGE DRIVE.

REPORT BY CITY MANAGER

City Manager Ness reported on items for the November 15, 2005, City Council meeting including consideration of a zoning text amendment related to big box stores and the Wal-Mart Supercenter on West Betteravia Road; a public hearing regarding a General Plan Amendment and Zone Change for Pacific Crest; the first quarter financial report; an appeal of a Recreation and Parks Commission decision related to removal of a tree; a proposed ordinance dealing with commercial vehicles in residential zones; and a request to reformat the City's zoning map and revise the fee for copies of the map.

Mayor Lavagnino requested the agenda for the next meeting be limited to the Wal-Mart Supercenter item and only those other items that are necessary as a large group of people were expected to attend to speak on the Wal-Mart issue.

City Manager Ness explained some of the items had been advertised for the next meeting, but he would try to limit the number of items.

ORAL REPORTS OF COUNCILMEMBERS AND OFFICERS

Councilmember Trujillo reported on a chocolate feast fundraising event for CASA he had attended. Fire Chief Frank Ortiz was the Co-Chair this year. They did very well.

Councilmember Mariscal announced that a very good friend of his, James Mills, is a civilian with the Army Corps of Engineers. For the last five months he has been stationed in Afghanistan. Mr. Mills gave him a flag that was flown in Afghanistan by the group of Marines that went with the Army Corps of Engineers on location. He presented it to the Public Works Department.

Mayor Lavagnino announced that his son-in-law had undergone emergency triple by-pass surgery this last week in Marian Hospital. He thanked his doctor and Marian Hospital for the great care he received. He said he wanted his son-in-law to know how much he was loved by their family.

CLOSED SESSION

The City Council recessed to a Closed Session at 8:15 p.m. for Conference with Legal Counsel regarding existing litigation pursuant to Subsection (a) of Government Code Section 54956.9 to discuss Santa Maria Valley Water Conservation District v. City of Santa Maria and Pierce v. Santa Barbara County Association of Governments (SBCAG); and Conference with Legal Counsel regarding initiation of litigation pursuant to Subsection (c) of Government Code Section 54956.9, 1 matter.

After the Closed Session, the following was announced:

Santa Maria Valley Water Conservation District v. City of Santa Maria – No report. Removed from the agenda.

Pierce v. Santa Barbara County Association of Governments – Status report. No reportable action.

Initiation of Litigation (1 matter) – Direction to staff.

ADJOURNMENT

There being no further business to come before the City Council at this time, the meeting was declared adjourned at 8:59 p.m. by order of Mayor Lavagnino.

APPROVED

November 15, 2005
Date

Patricia A. Adler
Chief Deputy City Clerk of the City of Santa Maria and ex officio Clerk of the City Council

ATTEST: Patricia A. Adler
Chief Deputy City Clerk

S. J. Lavagnino
Mayor of the City of Santa Maria